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INTERNATIONAL ALLIANCE FINANCIAL LEASING CO., LTD.
国际友联融资租赁有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1563)

VOLUNTARY ANNOUNCEMENT ON LITIGATION

This announcement is made by International Alliance Financial Leasing Co., Ltd. (the “**Company**”) on a voluntary basis.

南山融資租賃(天津)有限公司 (Nanshan Financial Leasing (Tianjin) Co., Ltd.*) (“**Nanshan Leasing**”), a wholly-owned subsidiary of the Company, as plaintiff, has recently filed a lawsuit (the “**Lawsuit**”) against The Fourth People’s Hospital of Shang Qiu Shi (商丘市第四人民醫院) (“**Shang Qiu Hospital**”) at No. 3 Intermediate People’s Court of Tianjin (the “**Court**”) and received the Notice of Case Acceptance ((2019) Jin 03 Min Chu No. 101) issued by the Court.

On 15 November 2017, Nanshan Leasing and Shang Qiu Hospital entered into a finance leasing agreement (the “**Agreement**”), pursuant to which Shang Qiu Hospital sold certain healthcare equipment (the “**Equipment**”) to Nanshan Leasing at the purchase price of RMB50,000,000 (the “**Purchase Price**”) and Nanshan Leasing leased back the Equipment to Shang Qiu Hospital at a total rental fee of RMB61,378,260 for a period of five years. On 20 November 2017, Nanshan Leasing paid the Purchase Price to Shang Qiu Hospital pursuant to the Agreement.

As at the date of this announcement, despite various demands made by Nanshan Leasing, Shang Qiu Hospital had failed to pay certain rental fee when due pursuant to the Agreement. Accordingly, Nanshan Leasing filed the Lawsuit against Shang Qiu Hospital for a total sum of RMB62,725,087.69, being, among others, the unpaid rental fee owed by Shang Qiu Hospital, the outstanding rental fee for the remaining term, penalty, overdue fine and other expenses incurred by Nanshan Leasing.

The Company will make further announcements as and when appropriate to update its shareholders and investors on any significant progress of the legal action.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
International Alliance Financial Leasing Co., Ltd.
Li Luqiang
Executive Director

Hong Kong, 12 July 2019

As at the date of this announcement, the executive Directors are Mr. Li Luqiang, Mr. Li Zhixuan, Ms. Xu Juan; the non-executive Director is Mr. Song Jianpeng (Chairman); and the independent non-executive Directors are Mr. Liu Changxiang, Mr. Liu Xuewei and Mr. Jiao Jian.

** For identification purpose only*